



GOVERNMENT AFFAIRS

Joseph M. Stanton
Senior Staff Vice President

April 8, 2008

The Honorable Charles Rangel
United States House of Representatives
Committee on Ways and Means
2354 Rayburn House Office Building
Washington, DC 20515

The Honorable Jim McCrery
United States House of Representatives
Committee on Ways and Means
242 Cannon House Office Building
Washington, DC 20515

Dear Chairman Rangel and Ranking Member McCrery:

On behalf of the 235,000 members of the National Association of Home Builders (NAHB), I am writing to express our strong support for the *Housing Assistance Act of 2008* (the Act), scheduled to be marked-up by the House Ways and Means Committee tomorrow. This comprehensive legislation addresses several important housing policy issues and deserves the full support of all members of the Committee.

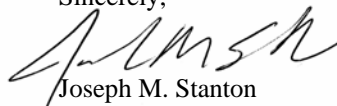
The Act puts in place two important tools for addressing the nation's housing crisis. First, it creates a first-time home buyer tax credit for the purchase of any home. This temporary and targeted tax credit will stimulate the housing market, eliminate excess inventory, relieve downward pressure on house prices, and return cautious homebuyers to the market. The bill also provides for a temporary increase in state Mortgage Revenue Bond authority. This additional resource can be used to help struggling homeowners refinance their subprime loans and increase access to affordable mortgage credit. This will be especially helpful to communities experiencing a high foreclosure rate or an extreme excess of inventory.

This legislation also makes significant enhancements to the Low Income Housing Tax Credit (LIHTC) and tax-exempt housing bond programs, which help maximize their effectiveness. There are several provisions of special importance to sponsors of affordable housing. These include: setting of a minimum credit rate for non-Federally subsidized buildings, protecting LIHTC properties from volatile area median income calculations, allowing LIHTCs to offset the Alternative Minimum Tax (AMT) and ensuring that interest on tax-exempt housing bonds is not subject to AMT. These and many other provisions in the bill will greatly improve the development, delivery and sustainability of affordable housing.

Finally, the Act helps state and local jurisdictions obtain financing for infrastructure projects by allowing bonds guaranteed by the Federal Home Loan Banks to be eligible for tax-exempt treatment. This provision will assist municipalities – while reducing costs to taxpayers – as they undertake important economic development efforts through the issuance of tax-exempt bonds. Of particular importance to the home building industry is the role these bonds play in improving and upgrading water treatment facilities and other infrastructure-related projects which complement housing production.

NAHB applauds the hard work of the Committee members and staff in crafting the *Housing Assistance Act of 2008*. We strongly urge all members of the Committee to support this legislation. Thank you for consideration of our views.

Sincerely,



Joseph M. Stanton

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